

Cinergy Corp.
139 East Fourth Street
P.O. Box 960
Cincinnati, OH 45201

February 10, 2004

RECEIVED

FEB 11 2004

REGISTRATION

Mr. Thomas M. Dorman
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602



Dear Mr. Dorman:

Case 2004-00045

RE: Gas Cost Adjustment Quarterly Filing

Enclosed for filing are an original and four (4) conformed copies of The Union Light, Heat and Power Company's (Union Light) "Quarterly Report of Gas Cost Calculations and Revised Tariff Schedules," including supporting schedules and other workpapers cross-referencing Suppliers rates and other calculations in this filing for the quarter commencing with the March 2004 revenue month.

The above described schedules and GCA are effective with the final meter readings of District 1, March 2004, revenue month (i.e., final meter readings on and after March 2, 2004).

Union Light's proposed GCA is \$6.967 per Mcf. This rate represents a decrease of \$0.128 per Mcf from the rate currently in effect.

Please stamp "FILED" on the additional enclosed copy of the application and return for our file. Thank you.

Very truly yours,

A handwritten signature in black ink that reads "Robert P. Butts, Jr." with a stylized flourish at the end.

Robert P. Butts, Jr.

RPB:ga

Enclosure

c:\wordfiles\gcr\kgcaltr.doc

**THE UNION LIGHT, HEAT AND POWER COMPANY
GAS COST ADJUSTMENT CLAUSE**

QUARTERLY REPORT

GAS COST RECOVERY RATES EFFECTIVE FROM MARCH 2, 2004 THROUGH MAY 28, 2004

DESCRIPTION	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.373
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.556
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.042</u>
GAS COST RECOVERY RATE (GCR) = EGC + RA + AA +BA	\$/MCF	<u>6.967</u>

EXPECTED GAS COST CALCULATION

DESCRIPTION	UNIT	AMOUNT
TOTAL EXPECTED GAS COST COMPONENT (EGC)	\$/MCF	6.373

SUPPLIER REFUND ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER SUPPLIER REFUND ADJ.	\$/MCF	0.000
PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	0.000
SECOND PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	(0.004)
THIRD PREVIOUS QUARTER REPORTED SUPPLIER REFUND ADJ.	\$/MCF	<u>0.000</u>
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.004)

ACTUAL ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER ACTUAL ADJUSTMENT	\$/MCF	0.347
PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.045)
SECOND PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	(0.183)
THIRD PREVIOUS QUARTER REPORTED ACTUAL ADJUSTMENT	\$/MCF	<u>0.437</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.556

BALANCE ADJUSTMENT CALCULATION

DESCRIPTION	UNIT	AMOUNT
CURRENT QUARTER BALANCE ADJUSTMENT	\$/MCF	0.031
PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	(0.022)
SECOND PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	0.029
THIRD PREVIOUS QUARTER REPORTED BALANCE ADJUSTMENT	\$/MCF	<u>0.004</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	0.042

THIS QUARTERLY REPORT FILED PURSUANT TO ORDER NO. 8373 OF THE KENTUCKY PUBLIC SERVICE COMMISSION DATED APRIL 16, 1982.

DATE FILED: January 29, 2004

BY: JOHN P. STEFFEN

TITLE: VICE-PRESIDENT, RATES

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY
EXPECTED GAS COST RATE CALCULATION (EGC)**

"SUMMARY" FOR THE EGC RATE IN EFFECT AS OF MARCH 1, 2004

		\$
<u>DEMAND (FIXED) COSTS:</u>		
Columbia Gas Transmission Corp.		3,272,816
Tennessee Gas Pipeline		919,620
Columbia Gulf Transmission Corp.		916,803
K O Transmission Company		291,880
Gas Marketers		188,552
TOTAL DEMAND COST:		5,589,671
PROJECTED GAS SALES LESS SPECIAL CONTRACT IT PURCHASES:	11,444,435	MCF
DEMAND (FIXED) COMPONENT OF EGC RATE:	\$5,589,671	/ 11,444,435 MCF \$0.488 /MCF
<u>COMMODITY COSTS:</u>		
Gas Marketers		\$5.221 /MCF
Gas Storage		
Columbia Gas Transmission		\$0.654 /MCF
Propane		\$0.010 /MCF
COMMODITY COMPONENT OF EGC RATE:		\$5.885 /MCF
TOTAL EXPECTED GAS COST:		\$6.373 /MCF

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 1, 2004

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
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INTERSTATE PIPELINE : **COLUMBIA GAS TRANSMISSION CORP.**

TARIFF RATE EFFECTIVE DATE : FSS: 2/1/2003
SST: 2/1/2004

BILLING DEMAND - TARIFF RATE - FSS

Max. Daily Withdrawl Quan.	1.5080	46,656	12	844,287
Seasonal Contract Quantity	0.0290	1,610,276	12	560,376

BILLING DEMAND - TARIFF RATE - SST

Maximum Daily Quantity	4.4490	46,656	6	1,245,435
Maximum Daily Quantity	4.4490	23,328	6	622,718

CAPACITY RELEASE CREDIT

0

TOTAL COLUMBIA GAS TRANSMISSION CORP. DEMAND CHARGES

3,272,816

INTERSTATE PIPELINE : **TENNESSEE GAS PIPELINE**

TARIFF RATE EFFECTIVE DATE : NOT APPLICABLE

BILLING DEMAND - TARIFF RATE - FT

Max. Daily Quantity Zone 1-2	3.9300	46,800	5	919,620
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CAPACITY RELEASE CREDIT

0

TOTAL TENNESSEE GAS PIPELINE DEMAND CHARGES

919,620

Currently Effective Rates
 Applicable to Rate Schedule FSS, ISS, and SIT
 Rate Per Dth

Rate Schedule	Base Tariff Rate 1/	Transportation Cost		Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	General R&D Funding Unit 3/	Total Effective Rate	Daily Rate
		Rate Adjustment Current	Surcharge					
Rate Schedule <u>FSS</u>								
Reservation Charge	\$ 1.508	-	-	-	-	-	1.508	0.050
Capacity	¢ 2.90	-	-	-	-	-	2.90	2.90
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Overrun	¢ 10.92	-	-	-	-	-	10.92	10.92
Rate Schedule ISS								
Commodity								
Maximum	¢ 5.95	-	-	-	-	-	5.95	5.95
Minimum	¢ 0.00	-	-	-	-	-	0.00	0.00
Injection	¢ 1.53	-	-	-	-	-	1.53	1.53
Withdrawal	¢ 1.53	-	-	-	-	-	1.53	1.53
Rate Schedule SIT								
Commodity								
Maximum	¢ 4.13	-	-	-	-	-	4.13	4.13
Minimum	¢ 1.53	-	-	-	-	-	1.53	1.53

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ GRI assessed where applicable pursuant to Section 154.401 of the Commission's Regulations.

Currently Effective Rates
 Applicable to Rate Schedule SST and GTS
 Rate Per Dth

Rate Schedule	Base Tariff Rate 1/	Transportation Cost Rate Adjustment Current	Electric Power Costs Adjustment Current	Annual Charge Adjustment 2/	General R&D Funding Unit 3/	Total Effective Rate	Daily Rate
Rate Schedule (SST) 4/							
Reservation Charge	\$ 5.675 *	0.331	-0.002	-	0.050	6.088	0.200
Maximum 1	5.675	0.001	0.033	-	0.031	6.069	0.200
Maximum 2	5.675	0.001	0.033	-	0.031	6.069	0.200
Commodity							
Maximum	1.02	0.34	0.27	0.21	0.40	2.39	2.39
Minimum	1.02	0.34	0.27	0.21	0.00	1.99	1.99
Overrun	19.68	1.43	0.38	0.21	0.40	22.24	22.24
Rate Schedule GTS							
Commodity							
Maximum	75.15	2.52	0.49	0.21	0.60	79.12	79.12
Minimum	3.08	0.34	0.27	0.21	0.00	4.05	4.05
MFCC	72.07	2.18	0.22	-	-	74.47	74.47

4.449

1/ Excludes Account 858 expenses and Electric Power Costs which are recovered through Columbia's Transportation Costs Rate Adjustment (TCRA) and Electric Power Costs Adjustment (EPCA), respectively. For rates by function, see Sheet No. 30A.
 2/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's Regulations.
 3/ GRI assessed where applicable pursuant to Section 154.401 of the Commission's Regulations. The Maximum 1 rate is applicable to shippers with load factors exceeding 50%; Maximum 2 rate is applicable to shippers with load factors equal to or less than 50%.
 4/ Minimum reservation charge is \$0.00.

* LESS 28% DISCOUNT ON BASE RATE : 5.675 X .72 = 4.086
 PER RATE CASE # RP95 - 408 SETTLEMENT.

March 24, 2003

Union Light, Heat & Power Company
139 East Fourth Street
P.O. Box 960, Rm. 403A
Cincinnati, OH 45201

Attention: Mr. Randy Randolph

RE: Firm Transportation Negotiated Rate Letter Agreement
Tennessee FT-A Service Package No. 40311
Open Season #321 Package #1

Dear Randy:

In response to the request of Union Light, Heat & Power Company (ULH&P), and pursuant to Section 5.7 of Tennessee Gas Pipeline Company's (Tennessee) FT-A Rate Schedule, Tennessee hereby agrees to adjust its then applicable FT-A Transportation rate for FT-A service provided under the above referenced contract as follows:

1. a) If ULH&P, its assignee(s) or its agent(s) (hereinafter collectively referred to as "ULH&P") violates the terms of this Negotiated Rate Agreement or the terms of the above-referenced service package, Tennessee shall have the right, in its sole discretion, to immediately terminate this Negotiated Rate Agreement and/or assess, from the date of the violation, the maximum Tennessee monthly reservation rate for the entire contract quantity and the maximum daily commodity rates on all transactions occurring under this Negotiated Rate Agreement.
- b) For the period commencing November 1, 2003, and extending through March 31, 2004, for gas delivered by Tennessee on behalf of ULH&P to North Means (meter #020049) under the above referenced service package; the applicable rates for volumes received by Tennessee from Zone 1 receipt points will be the lesser of:
 - i) A monthly reservation rate of \$3.93 per Dth and the maximum daily commodity rate. These rates are inclusive of surcharges.
 - or
 - ii) Tennessee's maximum monthly FT-A reservation and maximum daily commodity rates.In addition, ULH&P will pay applicable fuel and lost and unaccounted for charges.
- c) Receipts and/or deliveries to points other than those listed above during the term of ULH&P's Service Package shall result in ULH&P being assessed Tennessee's maximum reservation rate for the entire transportation quantity ("TQ") on the day(s) of such deliveries and the maximum daily commodity rates under Rate Schedule FT-A as well as the applicable fuel and loss charges and

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : MARCH 1, 2004

	RATE (\$ DTH)	CONTRACT VOLUME (DTH)	NUMBER OF DAYS/MTHS	EXPECTED GAS COST (\$)
INTERSTATE PIPELINE : COLUMBIA GULF TRANSMISSION CORP.				
TARIFF RATE EFFECTIVE DATE :	FTS-1: 4/1/2003			
	FTS-2: 4/1/2003			
<u>BILLING DEMAND - TARIFF RATE - FTS-1</u>				
Maximum Daily Quantity	3.1450	22,782	5	358,247
Maximum Daily Quantity	3.1450	17,598	7	387,420
<u>BILLING DEMAND - TARIFF RATE - FTS-2</u>				
Maximum Daily Quantity	0.9995	16,453	5	82,224
Maximum Daily Quantity	0.9995	12,708	7	88,912
CAPACITY RELEASE CREDIT FOR FTS-1				0
CAPACITY RELEASE CREDIT FOR FTS-2				0
TOTAL COLUMBIA GULF TRANSMISSION CORP. DEMAND CHARGES				916,803
INTERSTATE PIPELINE : KO TRANSMISSION COMPANY				
TARIFF RATE EFFECTIVE DATE :	4/1/2003			
<u>BILLING DEMAND - TARIFF RATE - FT</u>				
Maximum Daily Quantity	0.3560	68,324	12	291,880
CAPACITY RELEASE CREDIT				0
TOTAL KO TRANSMISSION CO. DEMAND CHARGES				291,880
VARIOUS GAS MARKETERS FIXED (RESERVATION) CHARGES :				
November - March	0.0074	9,973,204		73,892
December - February	0.364	315,000		114,660
TOTAL GAS MARKETERS FIXED CHARGES				188,552

Currently Effective Rates
 Applicable to Rate Schedules FTS-1, ITS-1, FTS-2, and ITS-2
 Rates per Dth

	Base Rate (1) \$	Annual Adjustment (2) \$	Subtotal (3) \$	General R&D Funding Unit (4) \$	Total Effective Rate (5) \$	Daily Rate (6) \$	Company Use and Unaccounted For (7) %
Rate Schedule <u>FTS-1</u>							
Rayne, LA To Points North Reservation Charge 3/							
Maximum	3.1450	-	3.1450	0.0500	3.1950	0.1050	-
Load Factor Customers above 50%	3.1450	-	3.1450	0.0310	3.1760	0.1044	-
Load Factor Customers at or below 50%							
Commodity							
Maximum	0.0170	0.0021	0.0191	0.0040	0.0231	0.0231	2.607
Minimum	0.0170	0.0021	0.0191	0.0000	0.0191	0.0191	2.607
Overrun	0.1204	0.0021	0.1225	0.0040	0.1265	0.1265	2.607

Currently Effective Rates
 Applicable to Rate Schedules FTS-1, ITS-1, FTS-2, and ITS-2
 Rates per Dth

	Base Rate (1) \$	Annual Charge Adjustment (2) \$ 1/	Subtotal (3) \$	General R&D Funding Unit (4) \$ 2/	Total Effective Rate (5) \$	Daily Rate (6) \$	Company Use and Unaccounted For (7) %
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Rate Schedule (FTS-2)

Offshore Laterals
 Reservation Charge 3/

Maximum							
Load Factor Customers above 50%	2.6700	-	2.6700	0.0500	2.7200	0.0894	-
Load Factor Customers at or below 50%	2.6700	-	2.6700	0.0310	2.7010	0.0888	-
Commodity							
Maximum	0.0002	0.0021	0.0023	0.0040	0.0063	0.0063	0.301
Minimum	0.0002	0.0021	0.0023	0.0000	0.0023	0.0023	0.301
Overrun	0.0880	0.0021	0.0901	0.0040	0.0941	0.0941	0.301

Onshore Laterals

Reservation Charge 3/

Maximum							
Load Factor Customers above 50%	1.0603	-	1.0603	0.0500	1.1103	0.0365	-
Load Factor Customers at or below 50%	1.0603	-	1.0603	0.0310	1.0913	0.0359	-
Commodity							
Maximum	0.0017	0.0021	0.0038	0.0040	0.0078	0.0078	0.582
Minimum	0.0017	0.0021	0.0038	0.0000	0.0038	0.0038	0.582
Overrun	0.0366	0.0021	0.0387	0.0040	0.0427	0.0427	0.582

DISCOUNTED TO 0.9995 PER RATE CASE #RP97-52 SETTLEMENT.

Offsystem-Onshore

Reservation Charge 3/

Maximum							
Load Factor Customers above 50%	2.5255	-	2.5255	0.0500	2.5755	0.0847	-
Load Factor Customers at or below 50%	2.5255	-	2.5255	0.0310	2.5565	0.0840	-
Commodity							
Maximum	0.0070	0.0021	0.0091	0.0040	0.0131	0.0131	-
Minimum	0.0070	0.0021	0.0091	0.0000	0.0091	0.0091	-
Overrun	0.0900	0.0021	0.0921	0.0040	0.0961	0.0961	-

**CURRENTLY EFFECTIVE RATES
 APPLICABLE TO RATE SCHEDULES FTS AND ITS**

RATE LEVELS - RATE PER DTH

	Base Tariff Rate	Annual Charge Adjustment 1/	R&D Funding Unit 2/	Total Effective Rate
RATE SCHEDULE FTS				
Reservation Charge 3/				
Maximum 1	\$0.3560	--	\$0.2180	\$0.5740
Maximum 2	\$0.3560	--	\$0.1340	\$0.4900
Daily Rate - Maximum 1	\$0.0117	--	\$0.0072	\$0.0189
Daily Rate - Maximum 2	\$0.0117	--	\$0.0044	\$0.0161
Commodity				
Maximum	\$0.0000	\$0.0021	\$0.0085	\$0.0106
Minimum	\$0.0000	\$0.0021	\$0.0000	\$0.0021
Overrun	\$0.0117	\$0.0021	\$0.0085	\$0.0223
RATE SCHEDULE ITS				
Commodity				
Maximum	\$0.0117	\$0.0021	\$0.0085	\$0.0223
Minimum	\$0.0000	\$0.0021	\$0.0000	\$0.0021

1/ ACA assessed where applicable pursuant to Section 154.402 of the Commission's regulations and will be charged pursuant to Section 23 of the General Terms and Conditions at such time that initial and successive annual ACA assessments applicable to Transporter are made.

2/ GRI assessed where applicable pursuant to Section 154.401 of the Commission's regulations. The Maximum 1 rate is applicable to customers with load factors exceeding 50%; the Maximum 2 is applicable to customers with load factors equal to or less than 50%.

3/ Minimum reservation charge is \$0.00.

Transportation Retainage Adjustment 1.05%

NOTE: Utilizing GISB standards 5.3.22 and 5.3.23, Transporter's Rate Schedule FTS Reservation Charge can be converted to an applicable daily rate by dividing the above monthly rate by 30.4 days.

2/10/2004

**THE UNION LIGHT, HEAT & POWER COMPANY
TOTAL RESERVATION COSTS FROM FIRM SUPPLIERS
ESTIMATED FOR EGC EFFECTIVE 3/1/2004**

TOTAL ANNUAL RESERVATION COST:

TOTAL DOLLARS \$ 73,892 (1)

TOTAL ANNUAL COVERAGE:

CITY GATE VOLUMES 9,973,204 DTH (2)

CALCULATED RATE: \$ 0.0074 PER DTH

- (1) Reservation charges billed by firm suppliers for 2003 - 2004.
- (2) Contracted volumes for the 2003 - 2004 winter season.

**GAS COST ADJUSTMENT
THE UNION LIGHT, HEAT & POWER COMPANY**

DETAILS FOR THE EGC RATE IN EFFECT AS OF : _____ MARCH 1, 2004 _____

GAS COMMODITY RATE FOR MARCH, 2004:

GAS MARKETERS :

WEIGHTED AVERAGE GAS COST @ CITY GATE (\$/Dth) (1):			\$5.6342	\$/Dth
ULH&P FUEL	1.800%	\$0.1014	\$5.7356	\$/Dth
DTH TO MCF CONVERSION	1.0321	\$0.1841	\$5.9197	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.8820		\$5.2212	\$/Mcf
GAS MARKETERS COMMODITY RATE			\$5.221	\$/Mcf

GAS STORAGE :

COLUMBIA GAS TRANS. - STORAGE INVENTORY RATE			\$5.1831	\$/Dth
COLUMBIA GAS TRANS. FSS WITHDRAWAL FEE		\$0.0153	\$5.1984	\$/Dth
COLUMBIA GAS TRANS. SST FUEL	2.554%	\$0.1328	\$5.3312	\$/Dth
COLUMBIA GAS TRANS SST COMMODITY RATE		\$0.0178	\$5.3490	\$/Dth
KO TRANS, COMMODITY RATE		\$0.0138	\$5.3628	\$/Dth
ULH&P FUEL	1.800%	\$0.0965	\$5.4593	\$/Dth
DTH TO MCF CONVERSION	1.0321	\$0.1752	\$5.6345	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.1160		\$0.6536	\$/Mcf
GAS STORAGE COMMODITY RATE - COLUMBIA GAS			\$0.654	\$/Mcf

PROPANE :

ERLANGER PROPANE INVENTORY RATE			\$0.34268	\$/Gallon
GALLON TO MCF CONVERSION	14.84	\$4.7427	\$5.0854	\$/Mcf
ESTIMATED WEIGHTING FACTOR	0.0020		\$0.0102	\$/Mcf
PROPANE COMMODITY RATE			\$0.010	\$/Mcf

(1) Weighted average cost of gas based on NYMEX prices on 2/10/04 and contracted hedging prices.

**GAS COST ADJUSTMENT CLAUSE
THE UNION LIGHT, HEAT AND POWER COMPANY
SUPPLIER REFUND ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED** **NOVEMBER 30, 2003**

DESCRIPTION	UNIT	AMOUNT
SUPPLIER REFUNDS RECEIVED DURING THREE MONTH PERIOD SEPTEMBER 1, 2003 THROUGH NOVEMBER 30, 2003	\$	4,302.81
INTEREST FACTOR (REFLECTING 90 DAY COMMERCIAL PAPER RATE)		1.0033
REFUNDS INCLUDING INTEREST (\$4,302.81 x 1.0033)	\$	4,317.01
DIVIDED BY TWELVE MONTH SALES ENDED FEBRUARY 28, 2005	MCF	11,477,805.0
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>0.000</u>

DETAILS OF SUPPLIER REFUNDS RECEIVED DURING THE THREE MONTHS ENDED **NOVEMBER 30, 2003**

DESCRIPTION	UNIT	AMOUNT
<u>SUPPLIER</u>		
COLUMBIA GAS TRANSMISSION COMPANY - REFUND DATED OCTOBER 16, 2003	\$	4,060.48
COLUMBIA GULF TRANSMISSION COMPANY - REFUND DATED OCTOBER 16, 2003	\$	242.33
 TOTAL REFUNDS APPLICABLE TO THE CURRENT GCA	 \$	 <u>4,302.81</u>

GAS COST ADJUSTMENT CLAUSE
THE UNION LIGHT, HEAT AND POWER COMPANY
ACTUAL ADJUSTMENT
DETAILS FOR THE THREE MONTH PERIOD ENDED **NOVEMBER 30, 2003**

DESCRIPTION	UNIT	SEPTEMBER	OCTOBER	NOVEMBER
<u>SUPPLY VOLUME PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	MCF	312,280	570,358	1,108,576
UTILITY PRODUCTION	MCF	0	0	0
INCLUDABLE PROPANE	MCF	0	0	118
OTHER VOLUMES (SPECIFY) ADJUSTMENT	MCF	(528)	(393)	(911)
TOTAL SUPPLY VOLUMES	MCF	<u>311,752</u>	<u>569,965</u>	<u>1,107,783</u>
<u>SUPPLY COST PER BOOKS</u>				
PRIMARY GAS SUPPLIERS	\$	1,998,844	3,495,801	6,444,757
SPECIAL PURCHASES CREDIT	\$	0	0	0
INCLUDABLE PROPANE	\$	0	0	(289,935)
OTHER COSTS (SPECIFY):				
CMT MANAGEMENT FEE	\$	(5,455)	(5,455)	(17,626)
X-5 TARIFF	\$	0	0	0
TRANSPORTATION SERVICE "UNACCOUNTED FOR"	\$	0	0	0
GAS COST CREDIT	\$	0	0	0
LOSSES - DAMAGED LINES	\$	0	0	(5,938)
TRANSPORTATION TAKE-OR-PAY RECOVERY	\$	0	0	0
SALES TO REMARKETERS	\$	0	0	0
TOTAL SUPPLY COSTS	\$	<u>1,993,389</u>	<u>3,490,346</u>	<u>6,131,258</u>
<u>SALES VOLUMES</u>				
JURISDICTIONAL	MCF	227,381.5	355,530.1	645,209.9
NON-JURISDICTIONAL	MCF	0	0	0
OTHER VOLUMES (SPECIFY):	MCF	0	0	0
TOTAL SALES VOLUMES	MCF	<u>227,381.5</u>	<u>355,530.1</u>	<u>645,209.9</u>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	8.767	9.817	9.503
LESS: EGC IN EFFECT FOR THE MONTH	\$/MCF	<u>6.167</u>	<u>6.261</u>	<u>6.197</u>
DIFFERENCE	\$/MCF	2.600	3.556	3.306
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	<u>227,381.5</u>	<u>355,530.1</u>	<u>645,209.9</u>
EQUALS MONTHLY COST DIFFERENCE	\$	<u><u>591,191.90</u></u>	<u><u>1,264,265.04</u></u>	<u><u>2,133,063.93</u></u>
NET COST DIFFERENCE FOR THE THREE MONTH PERIOD	\$			<u>3,988,520.87</u>
TOTAL COST USED IN THE CURRENT AA CALCULATION	\$			<u>3,988,520.87</u>
DIVIDED BY: 12 MONTH PROJECTED SALES ENDED <u>FEBRUARY 28, 2005</u>	MCF			11,477,805.00
EQUALS CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u><u>0.347</u></u>

Revised Tariff Schedules

INDEX TO APPLICABLE SCHEDULES AND COMMUNITIES SERVED

	<u>Sheet No.</u>	<u>Bill No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>	
<u>SERVICE REGULATIONS</u>					
Service Agreements.....	20	-	05/24/92	02/26/92	
Supplying and Taking of Service.....	21	-	05/24/92	02/26/92	
Customer's Installation.....	22	-	05/24/92	02/26/92	
Company's Installation.....	23	-	05/24/92	02/26/92	
Metering.....	24	-	09/10/93	09/10/93	
Billing and Payment.....	25	-	02/02/01	02/02/01	
Deposits.....	26	-	09/10/93	09/10/93	
Application.....	27	-	05/24/92	02/26/92	
Gas Space Heating Regulations.....	28	-	05/24/92	02/26/92	
Availability of Gas Service.....	29	-	05/24/92	02/26/92	
<u>FIRM SERVICE TARIFF SCHEDULES</u>					
Rate RS, Residential Service.....	30	28R	03/02/04	03/02/04	
Rate GS, General Service.....	31	28F	03/02/04	03/02/04	(C)
Reserved for Future Use.....	32	-			
Reserved for Future Use.....	33	-			
Reserved for Future Use.....	34	-			
Reserved for Future Use.....	35	-			
Reserved for Future Use.....	36	-			
Reserved for Future Use.....	37	-			
Reserved for Future Use.....	38	-			
Reserved for Future Use.....	39	-			
Reserved for Future Use.....	40	-			
Reserved for Future Use.....	41	-			
Reserved for Future Use.....	42	-			
Reserved for Future Use.....	43	-			
Rate FRAS, Full Requirements Aggregation Service.....	44	-	03/01/02	01/31/02	
Reserved for Future Use.....	45	-			
Reserved for Future Use.....	46	-			
Reserved for Future Use.....	47	-			
Reserved for Future Use.....	48	-			
Reserved for Future use.....	49	-			
<u>TRANSPORTATION TARIFF SCHEDULE</u>					
Rate IT, Interruptible Transportation Service.....	50	28G	03/01/02	01/31/02	
Purchased Service.....	50	28J	03/01/02	01/31/02	
Summer Minimum Service.....	50	26L	03/01/02	01/31/02	
Unauthorized Delivery.....	50	26T	03/01/02	01/31/02	
Rate FT-L, Firm Transportation Service.....	51	28M	04/07/02	04/08/02	
FT Bills – No GCRT.....	51	27A	04/07/02	04/08/02	
FT Bills – With GCRT.....	51	27T	04/07/02	04/08/02	
FT - Interruptible Bills – No GCRT on FT over 1 Year.....	51	28P	04/07/02	04/08/02	
FT - Interruptible Bills – GCRT on FT Under 1 Year.....	51	28T	04/07/02	04/08/02	
Reserved for Future Use.....	52				

Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No.

Issued:

Effective: March 2, 2004

Issued by Gregory C. Ficke, President

INDEX TO APPLICABLE SCHEDULES AND COMMUNITIES SERVED (Contd.)

	<u>Sheet No.</u>	<u>Bill No.</u>	<u>Billing Effective Date</u>	<u>Effective Date per Order</u>
<u>TRANSPORTATION TARIFF SCHEDULES (Contd.)</u>				
Rate SSIT, Spark Spread Interruptible Transportation Rate.....	53	-	03/01/02	01/31/02
Reserved for Future Use.....	54	-		
Rate AS, Pooling Service for Interruptible Transportation.....	55	-	03/01/02	01/31/02
Reserved for Future Use.....	56	-		
Rate GTS, Gas Trading Service.....	57	-	03/01/02	01/31/02
Rate IMBS, Interruptible Monthly Balancing Service.....	58	26X	03/01/02	01/31/02
Imbalance Trades.....	58	26Y	03/01/02	01/31/02
Cash Out – Sell to Pool.....	58	26Q	03/01/02	01/31/02
Cash Out – Buy from Pool.....	58	26R	03/01/02	01/31/02
Pipeline Penalty.....	58	26M	03/01/02	01/31/02
Rate DGS, Distributed Generation Service.....	59	-	03/01/02	01/31/02
<u>RIDERS</u>				
Rider X, Main Extension Policy.....	60	-	03/01/02	01/31/02
Rider DSM, Demand Side Management Cost Recovery Program	61	-	05/01/96	12/01/95
Rider DSMR, Demand Side Management Rate.....	62	-	01/02/03	01/01/03
Rider AMRP, Accelerated Main Replacement Program Rider.....	63	-	12/23/02	11/21/02
Reserved for Future Use.....	64			
Reserved for Future Use.....	65			
Reserved for Future Use.....	66			
Reserved for Future Use.....	67			
Reserved for Future Use.....	68			
Reserved for Future Use.....	69			
<u>GAS COST RECOVERY RIDERS</u>				
Gas Cost Adjustment Clause.....	70	-	07/16/01	07/16/01
Reserved for Future Use.....	71	-		
Reserved for Future Use.....	72			
Reserved for Future Use.....	73			
Reserved for Future Use.....	74			
Reserved for Future Use.....	75			
Reserved for Future Use.....	76			
Rider GCAT, Gas Cost Adjustment Transition Rider.....	77	-	03/02/04	03/02/04
Reserved for Future Use.....	78			
Reserved for Future Use.....	79			
<u>MISCELLANEOUS</u>				
Bad Check Charge.....	80	-	08/31/93	08/31/93
Charge for Reconnection of Service.....	81	-	10/02/90	10/02/90
Local Franchise Fee.....	82	-	10/02/90	10/02/90
Curtailement Plan.....	83	-	10/02/90	10/02/90
Reserved for Future Use.....	84	-		
Reserved for Future Use.....	85	-		
Reserved for Future Use.....	86	-		
Reserved for Future Use.....	87	-		
Reserved for Future Use.....	88	-		
Reserved for Future Use.....	89	-		

(C)

Issued by authority of an Order of the Kentucky Public Service Commission dated

in Case No.

Issued:

Effective: March 2, 2004

Issued by Gregory C. Ficke, President

RATE RS

RESIDENTIAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for all domestic purposes in private residences, single occupancy apartments, and common use areas of multi-occupancy buildings, when supplied at one point of delivery where distribution mains are adjacent to the premises to be served.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:

All gas is billed in units of 100 cubic feet (CCF).

Customer Charge per month: \$8.30
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a commodity Charge for all CCF at	23.34¢	plus	69.67¢	Equals	93.01¢	(R)

Plus, all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed each month.

The "Gas Cost Adjustment" as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission, as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission, dated _____ in Case No. _____

Issued:

Issued by Gregory C. Ficke, President

Effective: March 2, 2004

RATE GS

GENERAL SERVICE

APPLICABILITY

Applicable to firm natural gas service, which is comprised of commodity gas supply and local delivery service, required for any purpose by an individual non-residential customer at one location when supplied at one point of delivery where distribution mains are adjacent to the premises to be served. This schedule is also applicable to non-metered natural gas commodity supplies and local delivery service for street lighting to such entities as certificated homeowners associations, businesses, and federal, state, and local governments. The Company may decline requests for service under this tariff due to gas supply limitations.

NET MONTHLY BILL

The Net Monthly Bill is determined as follows:
All gas is billed in units of 100 cubic feet (CCF)

Customer Charge per month: \$15.35
Plus the applicable charge per month as set forth on Sheet No. 63,
Rider AMRP, Accelerated Main Replacement Program

	<u>Delivery Rate</u>		<u>Gas Cost Adjustment</u>		<u>Total Rate</u>	
Plus a Commodity Charge for all CCF at	20.49¢	plus	69.67¢	Equals	90.16¢	(R)

Plus all delivered gas shall be subject to an adjustment per CCF as set forth on:
Sheet No. 62, Rider DSMR, Demand Side Management Rate for non-residential service

The "Customer Charge" shown above plus Rider AMRP shall be the minimum amount billed per month.

The "Gas Cost Adjustment," as shown above, is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 70 of this tariff.

When bills are rendered less frequently than monthly the time related units such as cubic feet blocks, minimum bills or other charges, will be billed in accordance with the number of billing months in the meter reading interval.

LATE PAYMENT CHARGE

Payment of the Net Monthly Bill must be received in the Company's office within twenty-one (21) days from the date the bill is mailed by the Company. When not so paid, the Gross Monthly Bill, which is the Net Monthly Bill plus 5%, is due and payable.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Issued by Gregory C. Ficke, President

Effective: March 2, 2004

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Gas No. 5
Sheet No. 31.70
Canceling and Superseding
Sheet No. 31.69
Page 2 of 2

TERM OF SERVICE

One year, terminable thereafter on ten (10) days written notice by either customer or Company.

SERVICE REGULATIONS

The supplying of, and billing for, service and all conditions applying thereto, are subject to the jurisdiction of the Kentucky Public Service Commission, and to Company's Service Regulations currently in effect, as filed with the Kentucky Public Service Commission as provided by law.

Issued by authority of an Order of the Kentucky Public Service Commission dated _____ in Case No. _____

Issued:

Issued by Gregory C. Ficke, President

Effective: March 2, 2004

The Union Light, Heat and Power Company
107 Brent Spence Square
Covington, Kentucky 41011

Ky.P.S.C. Gas No. 5
Sheet No. 77.09
Canceling and Superseding
Sheet No. 77.08
Page 1 of 1

RIDER GCAT

GAS COST ADJUSTMENT TRANSITION RIDER

APPLICABILITY

Applicable to all customers served under Rate FT-L after the effective date of this tariff who paid gas supply costs through the Company's Gas Cost Adjustment (GCA) mechanism during the twelve month period immediately preceding the date on which the customer began receiving service under Rate FT-L.

GCA TRANSITION RIDER

A charge or credit shall be applied to all volumes transported pursuant to Rate FT-L in order to pass through to former GCA customers the Company's quarterly Actual Adjustment (AA), Balance Adjustment (BA), and Supplier Refund and Reconciliation Adjustment (RA) costs or credits during the first twelve months that the former sales customer participates in the Company's firm transportation program.

The amount of this charge or (credit) shall be 5.94 cents per 100 cubic feet. This rate shall be in effect during the month of March 2004 through May 2004 and shall be updated quarterly, concurrent with the Company's GCA filings.

(I)

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Issued:

Effective: March 2, 2004

Issued by Gregory C. Ficke, President

THE UNION LIGHT, HEAT AND POWER COMPANY
SUPPLEMENTAL INFORMATION
FOR THE EXPECTED GAS COST (EGC) RATE CALCULATION
OF THE GAS COST RECOVERY RATE
IN EFFECT AS OF MARCH 2, 2004

**THE UNION LIGHT, HEAT AND POWER COMPANY
USED FOR GCA EFFECTIVE MARCH 1, 2004**

**COMPUTATION OF THE INTEREST FACTOR
FOR THE GCA CALCULATION ON SCHEDULE II**

**TWELVE MONTHS ENDED DECEMBER 31, 2003
BLOOMBERG REPORT (90-DAY COMMERCIAL PAPER RATES)**

INTEREST RATE	0.006
PAYMENT	0.083604
ANNUAL TOTAL	1.0033
MONTHLY INTEREST AMOUNT	0.000500 1

DECEMBER 2002	1.27	
JANUARY 2003	1.22	
FEBRUARY 2003	1.24	
MARCH 2003	1.17	
APRIL 2003	1.19	
MAY 2003	1.16	
JUNE 2003	0.99	
JULY 2003	1.02	
AUGUST 2003	1.05	
SEPTEMBER 2003	1.03	
OCTOBER 2003	1.04	
NOVEMBER 2003	1.06	13.44
DECEMBER 2003	1.01	13.18

PRIOR ANNUAL TOTAL	13.44
PLUS CURRENT MONTHLY RATE	1.01
LESS YEAR AGO RATE	1.27
NEW ANNUAL TOTAL	13.18
AVERAGE ANNUAL RATE	1.10
LESS 0.5% (ADMINISTRATIVE)	0.60

THE UNION LIGHT HEAT & POWER COMPANY
SUMMARY OF GAS COST RECOVERY COMPONENTS
BY BILLING CODE

MON/YR	BILLING CODE	ESTD. GAS COST \$	QUARTERLY RECONCILIATION ADJUSTMENT			QUARTERLY ACTUAL ADJUSTMENT			BALANCE ADJUSTMENT			TOTAL GCR FACTOR \$			
			CURRENT \$	PREVIOUS \$	2ND PREV \$	3RD PREV \$	CURRENT \$	PREVIOUS \$	2ND PREV \$	3RD PREV \$	CURRENT \$		PREVIOUS \$	2ND PREV \$	3RD PREV \$
Aug-02	042	4.695	0.000	0.000	(0.006)	0.000	(0.190)	(0.220)	0.027	(0.526)	0.041	(0.020)	0.028	0.045	3.874
Sep-02	062	4.144	(0.004)	0.000	0.000	(0.006)	(0.021)	(0.190)	(0.220)	0.027	0.138	0.041	(0.020)	0.028	3.917
Oct-02	062	4.144	(0.004)	0.000	0.000	(0.006)	(0.021)	(0.190)	(0.220)	0.027	0.138	0.041	(0.020)	0.028	3.917
Nov-02	062	4.144	(0.004)	0.000	0.000	(0.006)	(0.021)	(0.190)	(0.220)	0.027	0.138	0.041	(0.020)	0.028	3.917
Dec-02	082	5.050	(0.001)	(0.004)	0.000	0.000	(0.090)	(0.021)	(0.190)	(0.220)	(0.088)	0.138	0.041	(0.020)	4.595
Jan-03	013	5.050	(0.001)	(0.004)	0.000	0.000	(0.090)	(0.021)	(0.190)	(0.220)	(0.088)	0.138	0.041	(0.020)	4.595
Feb-03	013	5.050	(0.001)	(0.004)	0.000	0.000	(0.090)	(0.021)	(0.190)	(0.220)	(0.088)	0.138	0.041	(0.020)	4.595
Mar-03	033	6.096	0.000	(0.001)	(0.004)	0.000	0.313	(0.090)	(0.021)	(0.190)	0.008	(0.088)	0.138	0.041	6.202
Apr-03	053	6.537	0.000	(0.001)	(0.004)	0.000	0.313	(0.090)	(0.021)	(0.190)	0.008	(0.088)	0.138	0.041	6.643
May-03	053	6.537	0.000	(0.001)	(0.004)	0.000	0.313	(0.090)	(0.021)	(0.190)	0.008	(0.088)	0.138	0.041	6.643
Jun-03	063	6.835	0.000	0.000	(0.001)	(0.004)	0.437	0.313	(0.090)	(0.021)	0.004	0.008	(0.088)	0.138	7.531
Jul-03	063	6.835	0.000	0.000	(0.001)	(0.004)	0.437	0.313	(0.090)	(0.021)	0.004	0.008	(0.088)	0.138	7.531
Aug-03	063	6.835	0.000	0.000	(0.001)	(0.004)	0.437	0.313	(0.090)	(0.021)	0.004	0.008	(0.088)	0.138	7.531
Sep-03	083	6.201	(0.004)	0.000	0.000	(0.001)	(0.183)	0.437	0.313	(0.090)	0.029	0.004	0.008	(0.088)	6.626
Oct-03	083	6.201	(0.004)	0.000	0.000	(0.001)	(0.183)	0.437	0.313	(0.090)	0.029	0.004	0.008	(0.088)	6.626
Nov-03	083	6.201	(0.004)	0.000	0.000	(0.001)	(0.183)	0.437	0.313	(0.090)	0.029	0.004	0.008	(0.088)	6.626
Dec-03	103	5.874	0.000	(0.004)	0.000	0.000	(0.045)	(0.183)	0.437	0.313	(0.022)	0.029	0.004	0.008	6.411
Jan-04	014	7.261	0.000	(0.004)	0.000	0.000	(0.045)	(0.183)	0.437	0.313	(0.022)	0.029	0.004	0.008	7.798
Feb-04	034	6.558	0.000	(0.004)	0.000	0.000	(0.045)	(0.183)	0.437	0.313	(0.022)	0.029	0.004	0.008	7.095

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

SEPTEMBER, 2003

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH SEPTEMBER, 2003</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	312,280
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(528)
		<hr/>
TOTAL SUPPLY VOLUMES	MCF	311,752
		<hr/>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	1,998,844
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(5,455)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
		<hr/>
TOTAL SUPPLY COST	\$	1,993,389
		<hr/>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	227,381.5
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
		<hr/>
TOTAL SALES VOLUME	MCF	227,381.5
		<hr/>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	8.767
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	6.167
		<hr/>
DIFFERENCE	\$/MCF	2.600
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	227,381.5
		<hr/>
MONTHLY COST DIFFERENCE	\$	591,191.90
		<hr/> <hr/>

**THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF SEPTEMBER, 2003**

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		\$
current month	2,009,407.65	
adjustments	(3,821.00)	
IT monthly charges entered by Gas Supply	<u>(6,742.87)</u>	1,998,844
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	0.00	0
 <u>LESS: X-5 TARIFF</u>	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>	5,455.00	(5,455)
 <u>LESS: TOP TRANSP. RECOVERIES</u>	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>	0.00	0
 <u>LESS: GAS SOLD TO REMARKETERS</u>	0.00	
adjustments	<u>0.00</u>	0
 <u>LESS: GAS COST CREDIT</u>	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	<u>0.00</u>	0
 TOTAL SUPPLY COSTS		 <u><u>1,993,389</u></u>

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	591,191.90
ACCOUNT 805-10	(591,191.90)

THE UNION LIGHT, HEAT AND POWER COMPANY

SEPTEMBER, 2003

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	227,381.5	1,402,270.76	6.16703980
RA		(1,139.14)	
AA		105,386.56	
BA		<u>(10,657.57)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u><u>1,495,860.61</u></u>	
TOTAL SALES VOLUME	227,381.5		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u><u>227,381.5</u></u>		
 <u>PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY</u>			
SUPPLIER COST - CURRENT MONTH	227,381.5	1,993,389.00	8.76671585
UNRECOVERED PURCHASED GAS COST		(485,805.34)	
ROUNDING(ADD/(DEDUCT))		<u>73.66</u>	
TOTAL GAS COST IN REVENUE		<u><u>1,507,657.32</u></u>	
TOTAL GAS COST RECOVERY(GCR)		1,495,860.61	
LESS: RA		(1,139.14)	
BA		<u>(10,657.57)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>0.00</u>	
		<u><u>1,507,657.32</u></u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(485,805.34)	
LESS: AA		<u>105,386.56</u>	
MONTHLY COST DIFFERENCE		(591,191.90)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(591,118.24)</u>	
ROUNDING		<u><u>73.66</u></u>	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

OCTOBER, 2003

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH OCTOBER, 2003</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	570,358
Utility Production	MCF	0
Includable Propane	MCF	0
Other Volumes (Specify) - Previous Month Adj.	MCF	(393)
		<hr/>
TOTAL SUPPLY VOLUMES	MCF	569,965
		<hr/>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	3,495,801
Includable Propane	\$	0
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(5,455)
- Losses-Damaged Lines	\$	0
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
		<hr/>
TOTAL SUPPLY COST	\$	3,490,346
		<hr/>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	355,530.1
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
		<hr/>
TOTAL SALES VOLUME	MCF	355,530.1
		<hr/>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	9.817
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	6.261
		<hr/>
DIFFERENCE	\$/MCF	3.556
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	355,530.1
		<hr/>
MONTHLY COST DIFFERENCE	\$	1,264,265.04
		<hr/> <hr/>

THE UNION LIGHT, HEAT AND POWER COMPANY

OCTOBER, 2003

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	355,530.1	2,225,961.11	6.26096387
RA		(1,579.64)	
AA		174,773.85	
BA		<u>(18,107.85)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>2,381,047.47</u>	
TOTAL SALES VOLUME	355,530.1		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>355,530.1</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	355,530.1	3,490,346.00	9.81730098
UNRECOVERED PURCHASED GAS COST		(1,089,491.19)	
ROUNDING(ADD/(DEDUCT))		<u>(119.85)</u>	
TOTAL GAS COST IN REVENUE		<u>2,400,734.96</u>	
TOTAL GAS COST RECOVERY(GCR)		2,381,047.47	
LESS: RA		(1,579.64)	
BA		<u>(18,107.85)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>2,400,734.96</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(1,089,491.19)	
LESS: AA		<u>174,773.85</u>	
MONTHLY COST DIFFERENCE		(1,264,265.04)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(1,264,384.89)</u>	
ROUNDING		<u>(119.85)</u>	

PURCHASED GAS ADJUSTMENT

SCHEDULE III

COMPANY NAME: THE UNION LIGHT, HEAT AND POWER COMPANY

ACTUAL ADJUSTMENT

DETAILS FOR THE MONTH

NOVEMBER, 2003

<u>PARTICULARS</u>	<u>UNIT</u>	<u>MONTH NOVEMBER, 2003</u>
<u>SUPPLY VOLUME PER BOOKS</u>		
Primary Gas Suppliers	MCF	1,108,576
Utility Production	MCF	0
Includable Propane	MCF	118
Other Volumes (Specify) - Previous Month Adj.	MCF	(911)
		<hr/>
TOTAL SUPPLY VOLUMES	MCF	1,107,783
		<hr/>
<u>SUPPLY COST PER BOOKS</u>		
Primary Gas Suppliers	\$	6,444,757
Includable Propane	\$	(289,935)
Other Cost (Specify) - Gas Cost Credit	\$	0
- Unacct'd for Transp.	\$	0
- CF Credit	\$	0
- X-5 Tariff	\$	0
- CMT Management Fee	\$	(17,626)
- Losses-Damaged Lines	\$	(5,938)
- Gas Sold to Remarketers	\$	0
- TOP Transp. Recoveries	\$	0
		<hr/>
TOTAL SUPPLY COST	\$	6,131,258
		<hr/>
<u>SALES VOLUMES</u>		
Jurisdictional	MCF	645,209.9
Non-Jurisdictional	MCF	
Other Volumes (Specify) -	MCF	
		<hr/>
TOTAL SALES VOLUME	MCF	645,209.9
		<hr/>
UNIT BOOK COST OF GAS (SUPPLY \$ / SALES MCF)	\$/MCF	9.503
LESS: EGC IN EFFECT FOR MONTH	\$/MCF	6.197
		<hr/>
DIFFERENCE	\$/MCF	3.306
TIMES: MONTHLY JURISDICTIONAL SALES	MCF	645,209.9
		<hr/>
MONTHLY COST DIFFERENCE	\$	2,133,063.93
		<hr/> <hr/>

THE UNION LIGHT, HEAT AND POWER COMPANY
DETERMINATION OF TOTAL SUPPLY COST
MONTH OF NOVEMBER, 2003

<u>DESCRIPTION</u>		<u>TOTAL AMOUNT ROUNDED</u>
<u>PRIMARY GAS SUPPLY COST</u>		
current month	6,445,174.53	\$
adjustments	(483.97)	
IT monthly charges entered by Gas Supply	66.18	6,444,757
 <u>LESS: RATE SCHEDULE CF CREDIT</u>		
current month	0.00	
adjustments	0.00	0
 <u>PLUS: INCLUDABLE PROPANE</u>		
a/c 728-3 Erlanger	(289,934.69)	(289,935)
 <u>LESS: X-5 TARIFF</u>		
	0.00	0
 <u>LESS CMT MANAGEMENT FEE</u>		
	17,626.00	(17,626)
 <u>LESS: TOP TRANSP. RECOVERIES</u>		
	0.00	0
 <u>LESS: GAS LOSSES - DAMAGED LINES</u>		
	5,938.17	(5,938)
 <u>LESS: GAS SOLD TO REMARKETERS</u>		
adjustments	0.00	
	0.00	0
 <u>LESS: GAS COST CREDIT</u>		
	0.00	0
 <u>LESS: FIRM TRANSPORTATION ADJUSTMENTS</u>		
current month	0.00	
adjustments	0.00	0
 TOTAL SUPPLY COSTS		 6,131,258

ACCOUNTING ENTRY FOR DEFERRAL ONLY

	<u>AMOUNT</u>
ACCOUNT 191-40	2,133,063.93
ACCOUNT 805-10	(2,133,063.93)

THE UNION LIGHT, HEAT AND POWER COMPANY

01/23/04

NOVEMBER, 2003

	<u>Applied</u> <u>MCF Sales</u>	<u>Amount</u>	<u>\$/MCF</u>
<u>GAS FUEL ADJUSTMENT BILLED</u>			
EGC	645,209.9	3,998,128.87	6.19663286
RA		(3,188.15)	
AA		305,300.06	
BA		<u>(30,626.61)</u>	
TOTAL GAS COST RECOVERY(GCR)		<u>4,269,614.17</u>	
TOTAL SALES VOLUME	645,209.9		
LESS: NON-JURISDICTIONAL SALES	<u>0.0</u>		
JURISDICTIONAL SALES	<u>645,209.9</u>		

PROOF OF UNRECOVERED PURCHASED GAS COST ENTRY

SUPPLIER COST - CURRENT MONTH	645,209.9	6,131,258.00	9.50273392
UNRECOVERED PURCHASED GAS COST		(1,827,763.87)	
ROUNDING(ADD/(DEDUCT))		<u>(65.20)</u>	
TOTAL GAS COST IN REVENUE		<u>4,303,428.93</u>	
TOTAL GAS COST RECOVERY(GCR)		4,269,614.17	
LESS: RA		(3,188.15)	
BA		<u>(30,626.61)</u>	
PLUS: COST OF NON-JURISDICTIONAL SALES		<u>4,303,428.93</u>	
UNRECOVERED PURCHASED GAS COST ENTRY		(1,827,763.87)	
LESS: AA		<u>305,300.06</u>	
MONTHLY COST DIFFERENCE		(2,133,063.93)	
EXTENDED MONTHLY COST DIFFERENCE		<u>(2,133,129.13)</u>	
ROUNDING		<u>(65.20)</u>	